

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION

In re:

MARY BRENNNA RYLEE,

Debtor.

Chapter 11
(Subchapter V)

Case No. 21-10436

**MICHAEL G. RYLEE'S LIMITED OBJECTION TO
DEBTOR'S CLAIM OF EXEMPTIONS**

TO THE HONORABLE TONY M. DAVIS, UNITED STATES BANKRUPTCY JUDGE:

Michael G. Rylee (the “Spouse”), a creditor and interested party in the above-captioned Chapter 11 bankruptcy case (the “Bankruptcy Case”) of Debtor Mary Brenna Rylee (the “Debtor” and together with Spouse, the “Parties”), files this *Limited Objection to Debtor's Claim of Exemptions* (this “Objection”), and in support hereof, respectfully states as follows:

BACKGROUND

1. On May 31, 2021, the Debtor filed her voluntary petition for relief under Chapter 11 of the Bankruptcy, thereby initiating this bankruptcy case (the “Bankruptcy Case”). The Debtor has elected to proceed under Subchapter V of Chapter 11.

2. The Debtor is currently in divorce proceedings (the “Divorce Proceeding”) with the Spouse which has been pending in Travis County, Texas since April 29, 2020. *See In the Matter of the Marriage of Mary Brenna Rylee and Michael Gene Rylee*, Case No. D-1-FM-20-002371 in the 353rd Judicial District Court of Travis County, Texas.

3. A key issue in the Divorce Proceeding and this Bankruptcy Case is the division of the Parties’ community property (the “Rylee Community Property”), among which involves three

valuable business assets – FLX Energy Services, LLC and Flex 24 Fitness, LLC, and S3Tea and other valuable assets, such as homes in Austin and Odessa, Texas.¹

4. On June 14, 2021, the Debtor filed her bankruptcy schedules (the “Schedules”). *See* Docket No. 22. In the Schedules, the Debtor identified several assets which she claims are exempt from creditor claims pursuant to provisions of the Texas Property Code. *Id.*

5. On July 9, 2021, this Court entered its *Order Granting Expedited Agreed Motion Between Debtor and the Debtor’s Non-Filing Spouse for Order Modifying The Automatic Stay To Establish Procedures For Division Of Community Property* whereby the Court established a protocol (the “Protocol”) for the division of the Rylee Community Property. *See* Docket No. 48.

LIMITED OBJECTION

6. The Spouse files this Objection to preserve his community property rights in the Rylee Community Property that the Debtor claims as exempt. Specifically, the Spouse seeks a determination that the Debtor’s claims of exemption in assets that are part of the Rylee Community Property do not alter, affect, impair, or otherwise impact the Spouse’s share of ownership of such exempted assets that are Rylee Community Property and the division of same under the Protocol or otherwise.

RESERVATION OF RIGHTS

7. The Spouse reserves, to the fullest extent allowed by law, its rights to amend, update, modify, and/or supplement this Objection in all respects, including, for the avoidance of doubt, asserting additional objections and nothing herein shall constitute a waiver of any other right or remedy at law or in equity that the Spouse may have.

¹ The Odessa home has been sold pursuant to a prior Order of this Court. *See* Docket No. 36.

PRAYER

WHEREFORE, PREMISES CONSIDERED, the Spouse respectfully requests that the Court (i) sustain this Objection to the Debtor's exemptions as provided herein, and (ii) grant such other and further relief as is just and equitable under the circumstances.

Dated: July 29, 2021

Respectfully submitted,

PLATT CHEEMA RICHMOND PLLC

/s/ Fareed Kaisani

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COUNSEL FOR MICHAEL G. RYLEE

CERTIFICATE OF SERVICE

I hereby certify that on July 29, 2021, a true and correct copy of the foregoing was filed electronically via the Court's CM/ECF system and duly served on the parties below by First Class United States Mail on the parties below. Notice of this filing will be sent by operation of the Court's electronic filing system to all parties indicated on the electronic receipt. Parties may access this filing through the Court's electronic filing system.

Mary Brenna Rylee
8308 Calera Drive
Austin, Texas 78735

/s/ Fareed Kaisani

Fareed Kaisani, Esq.